State of Kansas

# Revised Contract Process

***Statewide Management, Accounting and Reporting Tool***

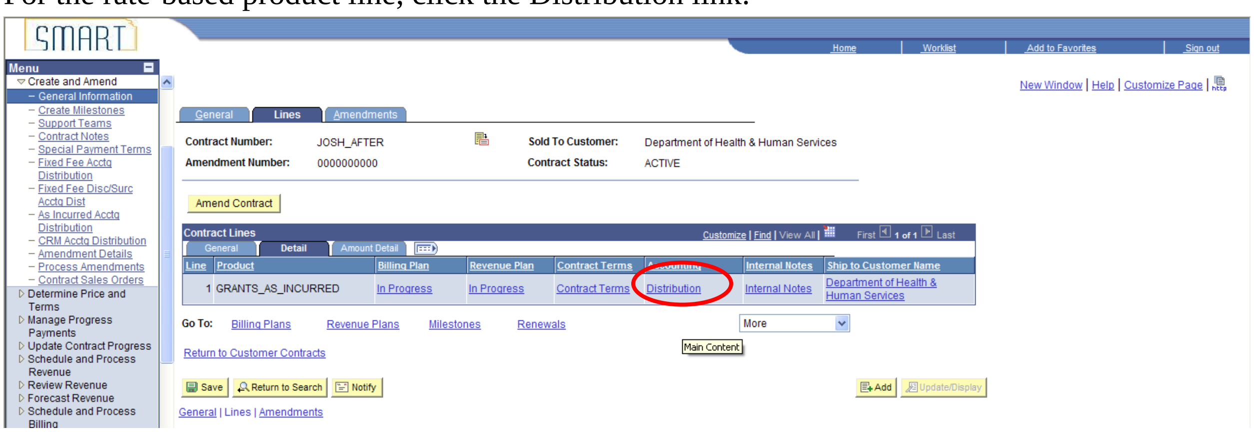
**ROLE:** Agency Customer Contract Manager

**DESCRIPTION OF PROCESS:** We have a small revision to the process for adding Customer Contracts. When you enter a new Customer Contract with a rate-based product line (i.e. GRANTS_AS_INCURRED), you will now have to go into the Accounting Distribution page and enter a valid Fund and Budget Unit before you activate the Contract. Otherwise, you will get an error message stating, "The accounting for one or more lines is not valid. Contract cannot be activated." This will prevent you from activating the Customer Contract, which in turn will prevent you from billing or recognizing revenue against reimbursable project-related transactions. Please note that the Fund and Budget Unit you select on the Accounting Distribution page <u>will not</u> be on the revenue or billing transactions – the system only looks at the Fund and Budget Unit that were included on the source transaction (i.e. from the voucher). This is only needed because there is a combo edit for Account/Fund/Budget Unit for Unbilled AR, so they are needed to activate the Customer Contract.

**EXAMPLE SUMMARY:** In this example, we will see what happens if you do not include Fund and Budget Unit on the Accounting Distribution page, as well as what is needed to be done to make the updates. This walkthrough assumes you already know the steps needed to create and activate a contract, so some steps are not shown.

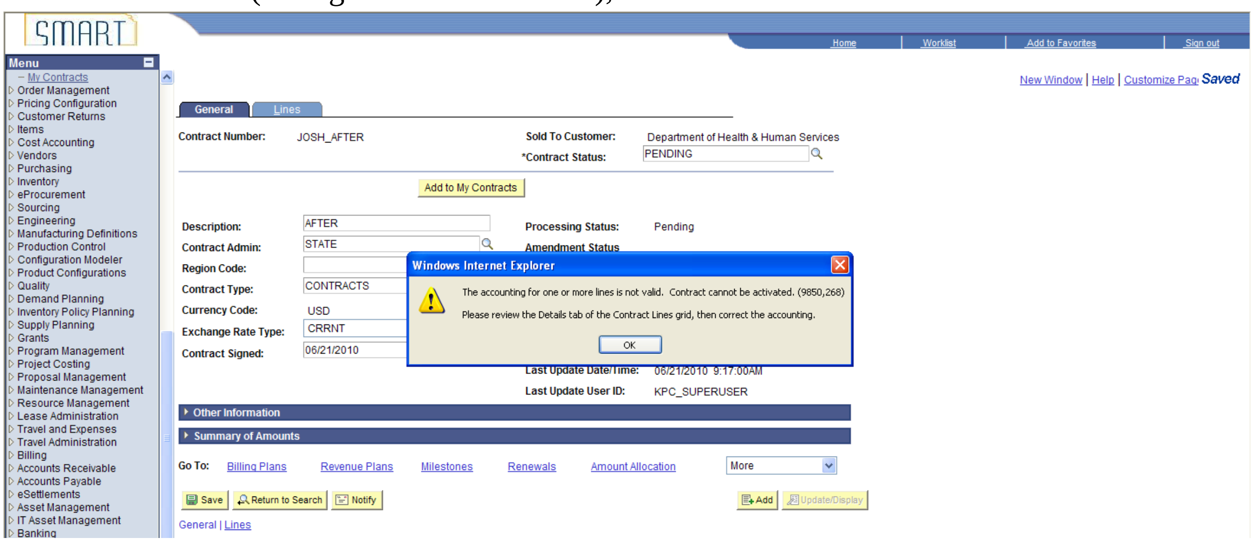
**PROCESS:**

1. Enter contract, including a rate-based product line (i.e. GRANTS_AS_INCURRED), and relate that contract line to your Project(s)/Activity(ies).
2. For the rate-based product line, click the Distribution link.

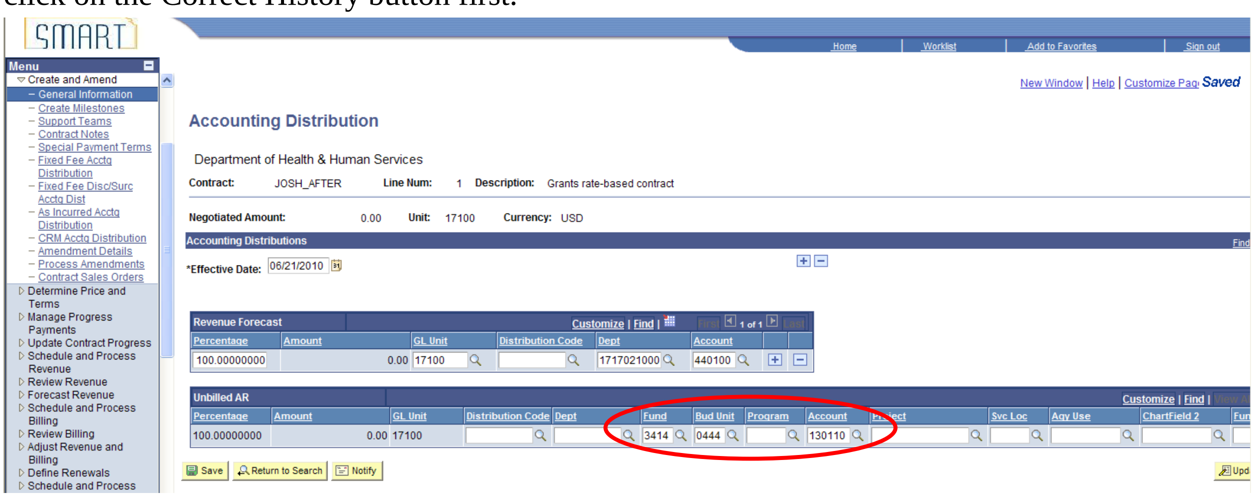


3. Do not update the Accounting Distribution (leave defaults)


4. Attempt to activate Contract. You will receive an error message, as expected. **NOTE:** This goes for all Contracts that are in Pending status. If you have already entered and activated contracts (during manual conversion), then this is not an issue.




5. Add the Accounting Distribution (Account, Fund, and Budget Unit) – you will have to click on the Correct History button first.



6. Activate the contract and click Save.